

Board of Governors

Officers

Dune Pagaduan, President
760-827-4940
dpagaduan@acmclaims.com

Steve Meek, Vice President
760-827-4962
smeek@acmclaims.com

Amy Gillen-Garcia, Secretary
619-303-3753
amygillen-garcia@cox.net

Dave Creedon, Treasurer
619-871-0044
creedon5@cox.net

Board Members

Scott Thornton, Marketing
858-527-3566
sthornton@anchorgeneral.com

Traci Dorsey, Special Events
858-967-1570
tdorsey@restorationmanagement.com

Bruce Rosenblatt, Membership
619-250-0136
brucer@smsandiego.com

Pat Bobbs, Education
858-487-0643
cdhx3@allstate.com

Geniene Logsdon, Legal & Legislative
858-271-0880
masterplumbing@cs.com

Alan Kennedy, Info Tech
760-458-2236
akennedy@baylangroup.com

Dave Creedon, Past President
619-871-0044
creedon5@cox.net

Arrest of Los Angeles Area Duo in \$6.3 Million Workers' Comp Insurance Fraud Scheme

California Department Of Insurance - April 20, 2009

The CA DOI announced that Andrew Kim, 43, and Chan Hee Yang, 61, both of Northridge, were arrested by the CA DOI on multiple counts of insurance premium fraud and conspiracy connected to Bell Building Maintenance Company - a janitorial business based in Sherman Oaks. The alleged fraud amounts to more than \$6.3 million dollars. "Insurance fraud is a \$500 tax on every man, woman and child in California," said Commissioner Poizner. "Whether it's workers comp fraud as alleged in this case, auto insurance fraud or homeowners insurance fraud, we will find you, we will arrest you and we will bring you to justice." According to CDI investigators, Bell Building Maintenance Company, through Chan and Kim, purposefully misrepresented the number of employees working for the janitorial company in an effort to reduce the proper rate of workers' compensation insurance premium. The criminal investigation was launched in September of 2006 based upon a referral from State Fund. According to payroll reports allegedly submitted to State Fund by Kim, from 2000 to 2005, the only employees of the company consisted of Kim and his wife. As a result, the company was only required to pay the minimum amount of premium to receive a workers' compensation insurance policy during this period. However, the investigation revealed that, in reality, Bell Building Maintenance Company was a much larger operation that employed hundreds of janitors servicing numerous private companies and public entities in Los Angeles, Ventura, Orange, San Bernardino and Riverside counties. Chan, who is not Kim's wife, was later identified as the company's corporate president during this time period. A State Fund audit of documents seized by CDI personnel in October of 2006 determined that Bell Building Maintenance Company intentionally underpaid premiums from 1998 through 2006 in the amount of \$4,466,936.52. A subsequent audit conducted by the California Employment Development Department revealed that Chan failed to accurately report employee wages and/or wage payments from April 2001 through December 2006. This, allegedly, resulted in her underpaying her payroll, unemployment insurance, and state disability insurance taxes in the amount of \$1,889,580.15. Kim has been formally charged with one count of criminal conspiracy; ten



NOTE FROM THE PRESIDENT

Thank you to all those that participated in the recent Vendor Night! It was another fun-filled evening filled with high rollers...Vegas Baby! I wanted to take this moment to thank all those that had served on the Board this year and had made my term as President very fulfilling. I believe this may be the last message I write for the Adjuster. Many of you may not know, but this association was on the brink of ending a few years ago. It took a concerted effort of dedicated insurance professionals to pull it from the edge. One of the last responsibilities I have as the current President is to create a new slate of candidates to serve on the board for 2009 to 2010. I'm calling out to all adjusters of San Diego to get involved in this worthwhile organization. I remember when I first started off as an adjuster in 1989 with Geico, I would look on the association board members with esteem and respect. When I look at the roster of past Presidents I personally knew at that time – Dan Price, Mauricio Alonso, Kim Clark, Dave Gwin, I still have deep respect for them and their professionalism. I have a deep respect for every board member that has served this association, especially after serving on it myself these past few years. I often think what this association might have been like when it started in 1951 with adjusters like, William R. Hearn, James S. Griggs and F. Harry Lebaron. When you go down the list of Past Presidents and members that has been continuous for 58 years you can't help but be awed that this association has seen events in our history such as post World War II rebuilding and the recession, the Civil Rights Movement, the Vietnam War and the era of the flower child, the first manned flight to

the moon, the birth of the personal computers with Apple and Microsoft and the Gulf War just to name a few. This association was started before the Chargers or the Padres were a major part of San Diego sports. I was at a board meeting recently and some of the members were reminiscing about the times when all members of the association had formal name tags that were kept in a wooden box and every time there was a board meeting, each member would take their name tag from the box and wear it proudly throughout the meeting. It's stories like these that drive me to see that this association survives and prospers. In order for this to happen, the association needs volunteers to preserve it for the next generation of adjusters. Please get involved and volunteer to serve on the board or just get active in this association. It is a worthwhile endeavor to promote the professional trade that has provided us all with a means to enrich our livelihood.

A handwritten signature in black ink, appearing to read 'W. Price'.

Fraud - from page 1

counts of presentation of false/fraudulent writing to public entity; one count of misrepresentation to obtain a lower rate with State Fund; and, one count of misrepresentation to obtain a lower rate with a carrier other than State Fund - all felonies. His bail has been set at \$3.28 million. Chan has been formally charged with one count of criminal conspiracy; ten counts of presentation of false/fraudulent writing to public entity; one count of misrepresentation to obtain a lower rate with State Fund; one count of misrepresentation to obtain a lower rate with a carrier other than State Fund; one count of failure to pay tax; one count of false tax return; one count of failure to make contributions; and, one count of failure to make contributions to the Disability Fund - all felonies. Her bail has been set at \$3.3 million. The case is being prosecuted by the Los Angeles County District Attorney's Office. The California State Compensation Fund and Employment Development Department (EDD) assisted in the investigation.



The annual elections will be held on May 20, 2009. Detailed information on the time and place will be sent out by email and posted online at sdiaa.org when final arrangements are completed.

Slate of Candidates

President – Leah Miller
Vice President – Chris Terrance
Secretary – Amy Gillen-Garcia
Treasurer – Dave Creedon
Education – Pat Bobbs
Special Events – Traci Dorsey & Steve Nesselrodt
Marketing – Karen Pretzel
Membership – Bruce Rosenblatt
Legal Legislative – Steve Meek
Info Tech – Alan Kennedy

Trio for Auto Insurance Fraud

California Department Of Insurance - April 21, 2009

Three San Jose men arrested- Trung Minh Le, 31; Ralph Abel Alvarez, 32; and Michael Joseph Derrick, 36 - for presenting a false or fraudulent insurance claim. Le self-surrendered to authorities on March 26, 2009. Derrick was arrested on April 17, 2009 at the Santa Clara County Adult Probation Office, where he was on probation for unrelated charges. Alvarez self-surrendered to authorities on April 18, 2009. The arrests were the result of an investigation by the Silicon Valley Urban Auto Fraud Task Force, which is comprised of the California Department of Insurance's Enforcement Branch (CDI), the Santa Clara County District Attorney's Office, and the California Highway Patrol. The case is being prosecuted by the Santa Clara County District Attorney's Office. If convicted, each subject could face up to five years in prison and/or \$10,000 in fines for each count. "Insurance fraud costs each Californian \$500 in higher premiums," stated Commissioner Poizner. "We simply cannot tolerate auto insurance fraud, no matter how harmless it may seem or how difficult the economy." In May 2008, Le allegedly conspired with Alvarez and Derrick to have Derrick steal Le's BMW. According to the investigation, Alvarez informed Derrick where to find the BMW, and Derrick "stole" the vehicle. Le then falsely reported the vehicle stolen to San Jose Police Department. Approximately two months later, however, Derrick was spotted driving the "stolen" BMW. After a short pursuit, Derrick was apprehended in the basement of Alvarez's residence. Derrick made statements that he was paid to steal the BMW; Le later confessed to investigators that he fraudulently reported his vehicle stolen so he could simultaneously get rid of the car and collect on his insurance policy with California State Automobile Association. This is commonly known as an "owner give-up." It is alleged that Alvarez and Derrick aided and abided, participated and helped stage the theft of the BMW knowing Le's intentions were to collect on his insurance policy.

Signs Around Los Angeles Beaches Warn of Tsunami Threat

California Department Of Insurance - April 20, 2009

Like many Californians who put down roots in earthquake country, Robin Rudisill knows the "Big One" could strike without warning. Yet from her Venice beachfront duplex, Rudisill worries about a different massive blow from Mother Nature -- a tsunami. Her 1950s-era home -- with its cool ocean breeze and golden sunsets -- sits smack in the heart of a potentially deadly tsunami zone. If that big one ever came ashore, scientists say, it could raze the landscape from the sun-kissed beach to about a mile inland. To alert homeowners and beachgoers that they are in tsunami territory, the city of Los Angeles has begun posting blue and white "TSUNAMI HAZARD ZONE" signs with an image of ominous-looking waves. The signs, which have surfaced in beach parking lots and at major intersections in Venice and other low-lying communities, also point out evacuation routes. "It makes it clear that we are in an inundation zone, which most people did not previously, and many still do not, know," said Rudisill, who pushed for the signs. While a tsunami threat to the Golden State is real, the potential for killer waves is far less likely than the earthquakes, wildfires, landslides and floods that plague the nation's most populous state. According to scientists, there's a 99.7 percent chance that California will be struck by a magnitude 6.7 earthquake or larger in the next 30 years. No such calculations exist for the potential of a tsunami. The 2004 Indian Ocean tsunami that wreaked havoc to Indonesia, Thailand, Sri Lanka and India jolted U.S. cities on both coasts to review their emergency plans. Devastating tsunamis have pounded North America in the past, with California, Hawaii, Alaska, Washington, Oregon and the Caribbean islands most at risk. In California, tsunami signs already are up in parts of Orange County and in several seaside Northern California counties, where the tsunami danger is greater. Beachfront communities are responsible for securing their own funding for

the tsunami displays -- a first step in preparing for a potential disaster. Tsunami waves can be raised by underwater earthquakes, submarine volcanoes or coastal landslides. If a powerful undersea quake rattled the Pacific Rim, the first waves could reach the California coast hours after the shaking stops. That time is cut to mere minutes if one hit closer to shore -- not enough time for authorities to send out a warning. "A large local tsunami hitting on a summer afternoon with hundreds of thousands of people on Southern California beaches could cause Thailand-like devastation. This is why we rely on the signs," said tsunami expert Costas Synolakis of the University of Southern California. A 2005 study by the California Seismic Safety Commission found that a tsunami generated by a large offshore quake would threaten at least 1 million coastal residents and swamp the nation's largest port complex. The same report also found gaps in the state's readiness to handle a tsunami. Since 1812, 14 tsunamis with waves higher than 3 feet have been observed along the California coast, but only six caused destruction. The deadliest occurred in 1964 when a magnitude-9.2 quake in Alaska spawned tsunami waves that killed 12 people in Northern California. While devastating tsunamis are rare, emergency responders are



**SDIAA Board Elections
May 20, 2009**

If you are a member of SDIAA, and you want to volunteer to help administer the association, please contact Dune Pagaduan at 760-827-4940 or email him at dpagaduan@acmclaims.com.

concerned because of increasing development along the coast. Last winter, Los Angeles spent about \$8,000 to post 60 signs in Venice, Pacific Palisades and coastal communities near the Los Angeles International Airport. The city plans to use a \$350,000 federal grant to install more signs as early as this summer. "It's for public safety. The more people know about it, the better they're prepared for an emergency," said Richard Deppisch, the city's emergency preparedness coordinator. Some beachgoers say the signs are useless without emergency sirens to warn tourists and residents of incoming waves. "If it happens at night, no one is going to be on the beach to say, 'Run away,'" said E. Grant Hardacre, a lawyer and surfer. Los Angeles County, which is considering posting signs in unincorporated areas, currently broadcasts emergencies through television and radio. While the county has studied using sirens to warn about a tsunami or other natural disasters, there are no current plans to activate them, said Jeff Terry, the county's tsunami coordinator. Don Howe, a senior transportation engineer with the California Department of Transportation, said the signs are experimental and the department is collecting feedback. Police in Humboldt County near the Oregon state line recently grappled with a string of sign crimes. Last year, about 5 percent of the 400 signs posted on state highways and county roads were stolen, damaged or vandalized. No arrests have been made. "It's tapering off," said Brenda Godsey, a spokeswoman with the Humboldt County Sheriff's Office, said of the sign tampering. "The novelty of the signs is waning." In late March, coastal counties received draft tsunami maps from the state pinpointing beach towns prone to flooding. The maps, which were updated from ones made after the 2004 Indian Ocean disaster, are intended to help local governments identify places where people can evacuate to higher ground or consider building evacuation shelters. For Venice Beach resident Rudisill, living steps away from the sand is a mixed blessing. While she has easy access to the water, she also worries about the possibility of a tsunami. Two

years ago, Rudisill channeled her worry into action. Along with neighbor Darryl DuFay, who lives in the Venice canals, the duo held an information meeting with members of the local neighborhood council. Despite living in the path of a tsunami, Rudisill cannot imagine making her home anywhere else. "The daily joy I get from living here is worth all those risks we face," she said.



- **Core Drilling**
- **Concrete Cutting**
- **Demolition**
- **Hazardous Material abatement.**



Serving CA / San Diego County for over 25 years. Providing quality service within budget and on time. Equipped and prepared to handle all your Demolition & Environmental needs.



3825 Bancroft Dr. Spring Valley, CA 91977
Phone: 619•589•6001 • Fax: 619•589•7158 • Lic. No 478960
www.caspercompany.com

And you thought your day was bad.....



Risk Factors for Technology Industry Changing with the Economy

insurancejournal.com -April 20, 2009

Today's technology leaders face challenging times in unprecedented circumstances. Many of the risk factors that topped the list of greatest concerns for tech companies -- foreign competition, intellectual property infringement, development of new products and services and talent attraction and retention -- have not changed "But new risks are topping our clients' list of concerns," according to Julie Davis, of Aon Corp. Speaking in Silicon Valley, Calif., Davis outlined new risk factors and trends for technology firms managing risks, gathered from a survey Aon conducted. New concerns include: changes in economic conditions, growing concerns about product liability, changes in technology risks, changes in liabilities to board members, exposures associated with international alliances and joint ventures, ability to drive strategic plans, executive compensation tied to stock prices, competition from other countries, and the need for continued research and development investments. "Clearly, our clients had a lot on their minds over the past six months," Davis said. She further commented that the changes in risk factors should be powerful incentives for technology firms to broaden their view of how they manage risks. Michael Flanagan, managing director of Aon's National Technology Practice, added that in response to the shifting climate, the industry practice has launched a number of new insurance products and risk services to respond to the changing needs of our clients. He cited two examples, which included the recent announcement of a suite of insurance coverages for middle market technology firms and the expansion of the company's "TechAudit" diagnostic program. Davis received standing ovations after her keynote speech. Anna Smith, President of California Women's Network, concluded that their study and new suite of insurance products and services clearly distinguishes Aon from their competition. Davis has served as executive vice

president in Aon Technology practice group. She has a significant background in risk management experience for private and publicly traded companies and is responsible for the contribution to the growth of the practice in California. The event attracted more than 100 professional women in various leadership positions and attracted professionals extending to Sacramento, Calif. The California Women's Network is a women's association designed for leaders of new or rapidly growing companies with less than 1,000 employees and leaders of autonomous business units in larger organizations.



Set your calendar now
for the tournament on
June 19, 2009

**2009 SDIAA
Golf Tournament**

THE BAYLAN GROUP

SUBROGATION & INVESTIGATION SERVICES



- Subrogation Outsourcing Program
- Training and Consulting Services
- Temporary Capacity Support
- Arbitration Services
- Closed File Audits

PO Box 1553
Carlsbad, CA 92018

Phone: 760.458.2236
Fax: 760.418.4636

visit us at baylangroup.com

CA PI# 2210 CA IA#

CHECK OUT
OUR HOME
PAGE!

www.sdiaa.com



2009 Upcoming Schedule

April 23 2009
Property Seminar

May 20, 2009
Annual Elections

June 19, 2009
Golf Tournament

Staffing Solutions Exclusively for the
Insurance and Financial Services Industries.

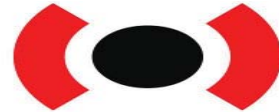


*Insurance
Staffing*

DIRECT HIRE • TEMP-TO-HIRE • TEMP

Kristin Hinds - kristin@sdistaffing.com
P: (888) 528-8367 F: (619) 528-8498
www.sdistaffing.com

BELFOR



PROPERTY RESTORATION

24/7 EMERGENCY RESPONSE

SINGLE-SOURCE RECOVERY SOLUTIONS

- Emergency Response
- Reconstruction & Contracting Services
- Structural Dehumidification
- Structural Cleaning & Decontamination
- Contents Restoration
- Mold Remediation
- Equipment & Machinery Refurbishment
- Book & Document Recovery
- Consulting Services
- Corrosion Control
- Water Extraction
- Emergency Power

BELFOR San Diego

11545 Sorrento Valley Rd., Suite 308

Toll Free: 866.421.4144 ~ Phone: 858.847.9886 ~ Fax: 858.847.9878

Around the World- Non-Stop -Around the Clock.

50 FULL-SERVICE OFFICES IN NORTH AMERICA

License # 810553
www.belforusa.com

Orange County 800.421.4112
Sacramento 877.339.4301

San Francisco 866.359.7543
San Fernando Valley 866.764.4112



San Diego Insurance Adjusters Association

PO Box 1666, Carlsbad, CA 92018

MEMBERSHIP APPLICATION

I hereby apply for membership in the SDIAA as (please check one)

New Membership Renewal

Name _____

Home Address _____

City, State, Zip _____

Home Phone _____

Employer _____

Position _____

Work Address _____

City, State, Zip _____

Work Phone _____

Email Address

Send Newsletter to (circle one): Home Work

Check type of membership:

- Regular Members (claims personnel).....\$20
I certify I am a claims adjuster, examiner, supervisor, manager of an insurance company or I am a CA Licensed Insurance Adjuster.
- Associate Members (non-claims personnel).....\$65
I certify I am affiliated with or retained by the insurance claims industry.
If my application is accepted, I agree to abide by the constitution and by-laws of the San Diego Insurance Adjusters Association.

Signature _____ Date _____

Pay online at sdiaa.org and fax application to 760-418-4636
-OR-

RETURN APPLICATION ALONG WITH A CHECK PAYABLE TO SDIAA TO:
SDIAA, PO Box 1666, Carlsbad CA 92018

THE ADJUSTER

A Monthly Publication

Send Articles to:

The Adjuster

PO Box 1666

Carlsbad, CA 92018

Phone (760) 458-2236

FAX (760) 418-4636

email: akenedy@baylangroup.com

PO Box 1666
Carlsbad, Ca 92018
www.sdiaa.org